



Excise Tax Advisory

Excise Tax Advisories (ETA) are interpretive statements issued by the Department of Revenue under authority of RCW 34.05.230. ETAs explain the Department's policy regarding how tax law applies to a specific issue or specific set of facts. They are advisory for taxpayers; however, the Department is bound by these advisories until superseded by Court action, Legislative action, rule adoption, or an amendment to or cancellation of the ETA.

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SALE WITHOUT TRANSFER OF POSSESSION

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Is a subsequent sale by a corporation of goods remaining in the warehouse of an affiliated corporation from which they were purchased taxable under the "Wholesaling" classification of the Business and Occupation Tax?

Goods were purchased from a corporation which was the marketing outlet for an affiliated supplier. The goods were still in the warehouse of the supplier although the supplier had previously sold them to the marketing outlet. Under Rule 203 these corporations are separate legal "persons" notwithstanding their affiliation. Since a "'sale' means any transfer of the ownership of, title to, or possession of property for valuable consideration," RCW 82.04.040, both the sale from the supplier to the marketing outlet and the sale from the marketing outlet to a subsequent purchaser are taxable, irrespective of whether any physical transfer of the goods occurs.

ETBS have been made Excise Tax Advisories, and have retained their old number. Advisories with a 2 (plus three digits) are new advisories, ETBs that have been revised and readopted after review under the Department's regulatory improvement program, or advisories that have been revised and/or readopted.

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Please direct comments to:
Department of Revenue
Legislation & Policy Division
P O Box 47467
Olympia, Washington 98504-7467
(360) 753-4161 eta@DOR.wa.gov